(a) whether Government are aware of cancellation of three iron ore lease of Chiria Mines of IISCO, which is now merged with SAIL, by Government of Jharkhand;

(b) whether any assessment has been made on the impact of cancellation on iron ore availability to SAIL and RINL; and

(c) the action taken by Government, apart from SAIL and IISCO, as owner to protect iron ore assets of public sector steel manufactures?

THE MINISTER OF STEEL (SHRI RAM VILAS PASWAN): (a) Yes, Sir.

(b) SAIL has assessed its iron ore requirement for its projected production under their Corporate Plan 2011-12, which would be difficult to fulfill in case iron ore is not available from Chiria Mines.

(c) The matter has been taken up with Government of Jharkhand to consider the renewal of mining leases for Chiria Iron Ore Mines.

Dependence of imported coke

1950. SHRI DEVDAS APTE: Will the Minister of STEEL be pleased to state: whether it is a fact that in coming years, our dependability on imported coke will be 85 per cent of the requirement?

THE MINISTER OF STEEL (SHRI RAM VILAS PASWAN): Major portion of coke requirement of the steel sector is met through import of coking coal whis is then converted to coke. As envisaged in the National Steel Policy the Indian steel sector would require about 70 million tonnes of cooking coal in 2019-2020, out of which about 85 would have to be imported.

Decline in ship breaking industry

1951. SHRI EKANATH K. THAKUR: Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that the ship breaking industry is passing through an alarming phase and if this trend continues, it would soon find itself on the verge of extinction;

(b) whether it is a fact that most ships ready for demolition are headed towards Bangladesh;

(c) if so, the reasons therefor; and

(d) the steps Government propose to take to revive the ship breaking industry?

THE MINISTER OF STEEL (SHRI RAM VILAS PASWAN): (a) and (b) Yes, Sir.

(c) The main reasons for decline of this industry in the country are:-

(i) The prices of old ships for demolition in the world market have gone up from US $ 150/pmt to 385/pmt during last five years whereas prices of steel scrap have not risen to the same extent in India.

(ii) Due to recovery of the global economy and rise in the freight rates, it is more economical to ply ships than to demolish them.

(iii) Due to favourable tax structure in Bangladesh, the industry is facing severe competition from Bangladesh.

(iv) Less stringent implementation of ships recycling regulations in Bangladesh has resulted in shifting of tanker business to Bangladesh.

(v) Creation of fresh capacity of low cost raw material *viz.* sponge iron for use in manufacture of re-rollables by mini-steel plants has further added to the price war of re-rollables.

(d) Necessary steps are being taken in consultation with Ministry of Finance for reviving the industry.

POSCO's involvement in Iron-Ore Export

1952. SHRI B.K. HARIPRASAD: Will the Minister of STEEL be pleased to state: